

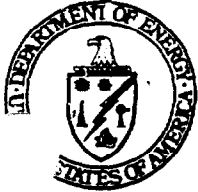
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September 2, 1999



Department of Energy

Washington, DC 20585

September 21, 1999

MEMORANDUM FOR FIELD CHIEF FINANCIAL OFFICERS

FROM: ELIZABETH E. SMEDLEY *Elizabeth E. Smedley*
CONTROLLER

SUBJECT: REVISED POLICY ON BILLINGS FOR REIMBURSABLE
WORK

The Oak Ridge Chief Financial Officer (CFO) has requested that we review and modify the Department's reimbursable work policy contained in Chapter 13, paragraph 2i(3)(b), of the Department of Energy (DOE) Accounting Handbook which prohibits billings above the total amount authorized by reimbursable work agreements, including any amendments, and requires that an amendment be obtained before billing additional costs. More specifically, the Oak Ridge CFO requests review and modification of our policy to include establishment of a de minimus level at which customers could be billed without amending the reimbursable work agreement. The recommended de minimus level is \$250, which is the estimated cost of processing a procurement modification and which was approved for the Accounting Consolidation Steering Committee, working with Headquarters Procurement.

In response to the Oak Ridge request, we have reviewed our policy and determined that in those cases where the amount owed is \$250 or less, amendment of the reimbursable work agreement is not required, provided that the ordering entity is willing to forego amendment and pay the amount owed upon receipt of a bill. Therefore, in such cases, the customer may be billed in excess of the total amount authorized in the reimbursable work agreement without amending the agreement. The attached form has been developed for purposes of documenting the authorizations and obligations and to serve as the basis of entering them into the accounting system.

Revision of the billing policy contained in paragraph 2i(3)(b) of Chapter 13 of the DOE Accounting Handbook is not to be construed as endorsing the practice of routinely exceeding authorized amounts on reimbursable agreements by even relatively minor amounts, which increases the Department's exposure to the risk of incurring uncollectible receivables. Rather, it is intended to be a cost-effective approach for handling inadvertent de minimus cost overruns that occur upon contract closeout or otherwise in spite of best efforts to monitor and track



reimbursable agreements. This change in billing policy is effective immediately and should be followed pending incorporation into the DOE Accounting Handbook.

If you have any questions or concerns regarding this memorandum, please feel free to call me on 202-586-4171 or have your staff call Mary Rosicky on 202-586-9354.

Attachment

DOCUMENT NO. _____

U.S. DEPARTMENT OF ENERGY
AUTHORIZATION FOR BILLING REIMBURSABLE AGREEMENT
COSTS NOT TO EXCEED (NTE) \$250.00 (CUMULATIVE) ABOVE FORMAL REIMBURSABLE
AGREEMENT NO. _____

This form constitutes formal documentation to authorize the billing and collecting of NTE \$250.00 (cumulative) of costs incurred above formal Reimbursable Agreement No. _____, in lieu of requiring formal amendment of the Reimbursable Agreement. It serves as the basis for recording the associated increased authorization, obligations, costs, and payments into the Department's accounting system. The amount of this authorization is itemized below. [NOTE: This form is to be used only when the customer has agreed to accept billings and make payments not to exceed \$250.00 above the formal Reimbursable Agreement.]

ITEM:	AMOUNT:
	\$.
	\$.
	\$.
	TOTAL: \$.

DOCUMENTATION OF CUSTOMER AGREEMENT TO ACCEPT BILLINGS AND MAKE PAYMENTS
NTE \$250.00 ABOVE FORMAL REIMBURSABLE AGREEMENT:

Name/Title of Customer Authorizing Official: _____ / _____

Signature of Customer Authorizing Official: _____

Telephone Number of Customer Authorizing Official: _____

Name/Title of DOE Employee Making Contact: _____ / _____

Telephone Number of DOE Employee Making Contact: _____

Date Customer Contacted: _____

Comments: (attach additional sheet, if necessary)

Typed Name/Title of DOE Authorizing Official: _____ / _____

Signature of DOE Authorizing Official: _____ Date: _____

ACCOUNTING INFORMATION:

September 2, 1999